

AMENDED IN SENATE MAY 2, 2005

**SENATE BILL**

**No. 251**

**Introduced by Senator Morrow**

February 15, 2005

---

An act to add Section 2059 to the Insurance Code, relating to homeowners' insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 251, as amended, Morrow. Homeowners' insurance: personal property.

Existing law generally regulates homeowners' insurance.

This bill would require an insurer under a homeowners' insurance policy, in the event of a total loss of the primary insured structure, to offer the insured the option of receiving an ~~amount equal to 85%~~ *unspecified portion* of the policy limit for loss or damage to personal property, in exchange for the insured's waiver of any right to recover an amount in excess of that sum for that loss. It would prohibit an insurer, if the insured chooses to accept ~~85% that portion~~ of the policy limit, from requiring the insured to prepare a list of personal property that has been damaged or destroyed.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 2059 is added to the Insurance Code, to  
2 read:  
3 2059. In the event of a total loss of the primary insured  
4 structure, an insurer shall offer the insured the option of receiving  
5 ~~an amount equal to 85 percent~~ \_\_\_\_ of the policy limit for loss or

1 damage to personal property, in exchange for the insured's  
2 waiver of any right to recover an amount in excess of that sum  
3 for loss or damage to personal property. If the insured chooses to  
4 accept ~~85 percent~~ \_\_\_\_\_ of the policy limit for that loss, the  
5 insurer shall not require the insured to prepare a list of personal  
6 property that has been damaged or destroyed.

O